

Notice of Exemption

Form D

To: Office of Planning and Research
P.O. Box 3044, Room 212
Sacramento, CA 95812-3044

From: (Public Agency) Department of Water Resources
3500 Industrial Blvd, West Sacramento
P.O. Box 942836, Sacramento, CA 94236

(Address)

County Clerk

County of _____

Project Title: Drought Water Bank

Project Location - Specific:

The Central Valley, Napa Valley, SF Bay Area, and Southern California

Project Location - City: _____ Project Location - County: _____

Description of Nature, Purpose and Beneficiaries of Project:

The 2009 Drought Water Bank is a one-year transfer program to obtain water from willing sellers upstream of the Delta for sale to water users experiencing shortages due to extreme drought conditions and regulatory pumping curtailments. Critical health and safety water needs will have a first priority to the acquired supplies. The Project will be implemented subject to the relevant mitigation measures in the EWA EIS/EIR, Supplement and Addendums (see State Clearinghouse #1996032083).

Name of Public Agency Approving Project: California Department of Water Resources

Name of Person or Agency Carrying Out Project: California Department of Water Resources

Exempt Status: (check one)

- ☐ Ministerial (Sec. 21080(b)(1); 15268);
- ☒ Declared Emergency (Sec. 21080(b)(3); 15269(a));
- ☒ Emergency Project (Sec. 21080(b)(4); 15269(b)(c));
- ☐ Categorical Exemption. State type and section number: _____
- ☒ Statutory Exemptions. State code number: Sections 21080(b)(3), 21080(b)(4), and 21172 of the Public Resources Code

Reasons why project is exempt:

The Project is subject to the Governor's Proclamation of a State of Emergency of February 2, 2009 (attached), among whose purposes is to protect the safety of persons and property from the natural disaster created by the critical drought conditions currently existing in the State. Section 17 of said Proclamation directs that CEQA exemptions under these sections as well as CCR title 14, section 15269(c) shall apply. The Secretary for the Natural Resources Agency has determined that the 2009 Drought Water Bank falls within this exemption (see attached).

Lead Agency
Contact Person: Michael Hendrick Area Code/Telephone/Extension: (916) 651-9547

If filed by applicant:

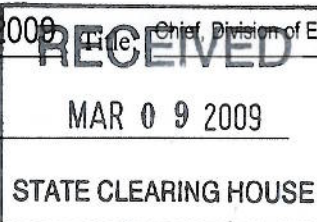
1. Attach certified document of exemption finding.
2. Has a Notice of Exemption been filed by the public agency approving the project? ☐ Yes ☐ No

Signature: Barbara McDonnell Date: March 9, 2009 Title: Chief, Division of Environmental Services

☒ Signed by Lead Agency

Date received for filing at OPR: _____

☐ Signed by Applicant



Revised 2005

Memorandum

Date: March 5, 2009

To: Honorable Mike Chrisman
Secretary for Resources
The Resources Agency
1416 Ninth Street, Room 1311
Sacramento, California 95814

From: Department of Water Resources

Subject: Request for Concurrence in the use of the Emergency Exemption Provisions of CEQA for the 2009 Drought Water Bank.

This letter is to request your concurrence in the use of the emergency exemption provisions of CEQA for the 2009 Drought Water Bank pursuant to the Governor's February 27, 2009, Proclamation of a State of Emergency issued in response to the third consecutive year of drought in California.

The 2009 Drought Water Bank (Water Bank) began in the summer of 2008 in response to Governor Schwarzenegger's June 4, 2008, Executive Order S-06-08 to help alleviate the drought conditions should they continue into 2009. On June 12, the Governor issued an Emergency Proclamation for nine counties in the San Joaquin Valley due to the critically dry conditions. 2009 is proving to be another critically dry year.

The Water Bank has been established to provide critical water supplies in the form of water transfers from willing sellers to willing buyers and is now ready for implementation. The Water Bank will be implemented in a manner that mitigates for the environmental impacts of water transfers. These mitigation measures were refined during implementation of the Environmental Water Account (EWA) from 2001 through 2007. These mitigation measures are referenced in the Emergency Proclamation Governor Schwarzenegger signed on February 27, 2009 and detailed in the Department of Water Resources' (DWR) recently posted addendum to the EWA Environmental Impact Report.

The Emergency Proclamation also allows DWR to use the emergency provisions of CEQA if it receives concurrence from the California Natural Resources Agency. Attached is a copy of the Notice of Exemption that DWR would like to file with the State Clearinghouse in the next few days to keep the Water Bank implementation on schedule.

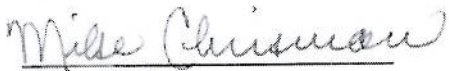
Honorable Mike Chrisman
March 5, 2009
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Please sign below if you concur that the use of the emergency exemption by DWR and all other State and local agencies for the 2009 Drought Water Bank is appropriate under the Governor's February 27 Emergency Proclamation.



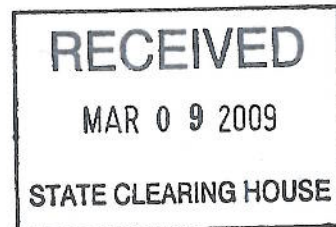
Lester A. Snow
Director
(916) 653-7007

CONCUR



Mike Chrisman
Secretary for Natural Resources

3/5/09
Date





Office of the Governor

ARNOLD SCHWARZENEGGER
THE PEOPLE'S GOVERNOR**PROCLAMATION**

02/27/2009

State of Emergency - Water Shortage**PROCLAMATION**

by the

Governor of the State of California

WHEREAS the State of California is now in its third consecutive year of drought; and

WHEREAS in each year of the current drought, annual rainfall and the water content in the Sierra snowpack have been significantly below the amounts needed to fill California's reservoir system; and

WHEREAS the rainfall and snowpack deficits in each year of the current drought have put California further and further behind in meeting its essential water needs; and

WHEREAS statewide, 2008 was the driest spring and summer on record, with rainfall 76 percent below average; and

WHEREAS the Sacramento and San Joaquin River systems, which provide much of the state's reservoir inflow, were classified as Critically Dry for the 2008 water year; and

WHEREAS in the second year of this continuous drought, on June 4, 2008, I issued an Executive Order proclaiming a statewide drought, and I ordered my administration to begin taking action to address the water shortage; and

WHEREAS because emergency conditions existed in the Central Valley in the second year of the drought, I issued an Emergency Proclamation on June 12, 2008, finding that conditions of extreme peril to the safety of persons and property existed in the counties of Sacramento, San Joaquin, Stanislaus, Merced, Madera, Fresno, Kings, Tulare, and Kern caused by severe drought conditions, and I ordered my administration to take emergency action to assist the Central Valley; and

WHEREAS the drought conditions and water delivery limitations identified in my prior Executive Order and Emergency Proclamation still exist, and have become worse in this third year of drought, creating emergency conditions not just in the Central Valley, but throughout the State of California, as the adverse environmental, economic, and social impacts of the drought cause widespread harm to people, businesses, property, communities, wildlife and recreation; and

WHEREAS despite the recent rain and snow, the three year cumulative water deficit is so large there is only a 15 percent chance that California will replenish its water supply this year; and

WHEREAS in the time since the state's last major drought in 1991, California added 9 million new residents, experienced a significant increase in the planting of permanent, high-value crops not subject to fallowing, and was subjected to new biological opinions that reduced the flexibility of water operations throughout the year; and

WHEREAS because there is no way to know when the drought will end, further urgent action is needed to address

the water shortage and protect the people and property in California; and

WHEREAS rainfall levels statewide for the 2008-2009 water year are 24 percent below average as of the February 1, 2009 measurement; and

WHEREAS the second snow pack survey of the 2009 winter season indicated that snow pack water content is 39 percent below normal; and

WHEREAS as of February 23, 2009, storage in the state's reservoir system is at a historic low, with Lake Oroville 70 percent below capacity, Shasta Lake 66 percent below capacity, Folsom Lake 72 percent below capacity, and San Luis Reservoir 64 percent below capacity; and

WHEREAS low water levels in the state's reservoir system have significantly reduced the ability to generate hydropower, including a 62 percent reduction in hydropower generation at Lake Oroville from October 1, 2008 to January 31, 2009; and

WHEREAS a biological opinion issued by the United States Fish and Wildlife Service on December 15, 2008, imposed a 30 percent restriction on water deliveries from the State Water Project and the Central Valley Project to protect Delta Smelt; and

WHEREAS State Water Project water allocations have now been reduced to 15 percent of requested deliveries, matching 1991 as the lowest water allocation year in State Water Project history, and Central Valley Project water allocations for agricultural users have now been reduced to zero; and

WHEREAS the lack of water has forced California farmers to abandon or leave unplanted more than 100,000 acres of agricultural land; and

WHEREAS California farmers provide nearly half of the fresh fruits, nuts and vegetables consumed by Americans, and the crop losses caused by the drought will increase food prices, which will further adversely impact families and economies throughout California and beyond our borders; and

WHEREAS agricultural revenue losses exceed \$300 million to date and could exceed \$2 billion in the coming season, with a total economic loss of nearly \$3 billion in 2009; and

WHEREAS it is expected that State Water Project and Central Valley Project water delivery reductions will cause more than 80,000 lost jobs; and

WHEREAS the income and job losses will adversely impact entire communities and diverse sectors of the economy supported by those jobs and income, including the housing market and commercial business; and

WHEREAS these conditions are causing a loss of livelihood for many thousands of people, an inability to provide for families, and increased harm to the communities that depend on them; and

WHEREAS this loss of income and jobs will increase the number of defaults, foreclosures and bankruptcies, and will cause a loss of businesses and property at a time when Californians are already struggling with a nationwide and worldwide economic downturn; and

WHEREAS the Central Valley town of Mendota, as one example, already reports an unemployment rate of more than 40 percent and lines of a thousand or more for food distribution; and

WHEREAS when jobs, property and businesses are lost, some families will move away from their communities, causing further harm to local economies, lower enrollments in local schools and reduced funding for schools; and

WHEREAS at least 18 local water agencies throughout the state have already implemented mandatory water conservation measures, and 57 agencies have implemented other water conservation programs or restrictions on water deliveries, with many agencies considering additional rationing and water supply reductions in 2009; and

WHEREAS the lack of water has forced local communities to draw water from their emergency water reserves, putting communities at risk of further catastrophe if emergency reserves are depleted or cut off; and

WHEREAS the state recently endured one of its worst wildfire seasons in history and the continuing drought conditions increase the risk of devastating fires and reduced water supplies for fire suppression; and

WHEREAS on February 26, 2009, the United States Department of Agriculture and the United States Department of Interior created a Federal Drought Action Team to assist California to minimize the social, economic, and environmental impacts of the current drought; and

WHEREAS the circumstances of the severe drought conditions, by reason of their magnitude, are beyond the control of the services, personnel, equipment and facilities of any single county, city and county, or city and require the combined forces of a mutual aid region or regions to combat; and

WHEREAS under the provisions of section 8558(b) of the California Government Code, I find that conditions of extreme peril to the safety of persons and property exist in California caused by the current and continuing severe drought conditions and water delivery restrictions.

NOW, THEREFORE, I, ARNOLD SCHWARZENEGGER, Governor of the State of California, in accordance with the authority vested in me by the California Constitution and the California Emergency Services Act, and in particular California Government Code sections 8625 and 8571, **HEREBY PROCLAIM A STATE OF EMERGENCY** to exist in California.

IT IS HEREBY ORDERED that all agencies of the state government utilize and employ state personnel, equipment and facilities for the performance of any and all activities consistent with the direction of the California Emergency Management Agency (CalEMA) and the State Emergency Plan.

I FURTHER DIRECT THAT:

1. The California Department of Water Resources (DWR) shall, in partnership with other appropriate agencies, launch a statewide water conservation campaign calling for all Californians to immediately decrease their water use.
2. DWR shall implement the relevant mitigation measures identified in the Environmental Water Account Environmental Impact Report, Environmental Impact Statement, Supplement, and Addendums for the water transfers made through the 2009 Drought Water Bank. In addition, the California Air Resources Board shall, in cooperation with DWR and other agencies, expedite permitting and development of mitigation measures related to air quality impacts which may result from groundwater substitution transfers.
3. DWR and the State Water Resources Control Board (SWRCB) shall expedite the processing of water transfers and related efforts by water users and suppliers that cannot participate in the 2009 Drought Water Bank, provided the water users and suppliers can demonstrate that the transfer will not injure other legal users of water or cause unreasonable effects on fish and wildlife.
4. The SWRCB shall expedite the processing and consideration of the request by DWR for approval of the consolidation of the places of use and points of diversion for the State Water Project and federal Central Valley Project to allow flexibility among the projects and to facilitate water transfers and exchanges.
5. DWR shall implement short-term efforts to protect water quality or water supply, such as the installation of temporary barriers in the Delta or temporary water supply connections.
6. The SWRCB shall expedite the processing and consideration of requests by DWR to address water quality standards in the Delta to help preserve cold water pools in upstream reservoirs for salmon preservation and water supply.
7. To the extent allowed by applicable law, state agencies within my administration shall prioritize and streamline permitting and regulatory compliance actions for desalination, water conservation and recycling projects that provide drought relief.
8. The Department of General Services shall, in cooperation with other state agencies, immediately implement a water use reduction plan for all state agencies and facilities. The plan shall include immediate water conservation

actions and retrofit programs for state facilities. A moratorium shall be placed on all new landscaping projects at state facilities and on state highways and roads except for those that use water efficient irrigation, drought tolerant plants or non-irrigated erosion control.

9. As a condition to receiving state drought financial assistance or water transfers provided in response to this emergency, urban water suppliers in the state shall be required to implement a water shortage contingency analysis, as required by California Water Code section 10632. DWR shall offer workshops and technical assistance to any agency that has not yet prepared or implemented the water shortage contingency analysis required by California law.

10. DWR shall offer technical assistance to agricultural water suppliers and agricultural water users, including information on managing water supplies to minimize economic impacts, implementing efficient water management practices, and using technology such as the California Irrigation Management Information System (CIMIS) to get the greatest benefit from available water supplies.

11. The Department of Public Health shall evaluate the adequacy of emergency interconnections among the state's public water systems, and provide technical assistance and continued financial assistance from existing resources to improve or add interconnections.

12. DWR shall continue to monitor the state's groundwater conditions, and shall collect groundwater-level data and other relevant information from water agencies, counties, and cities. It is requested that water agencies, counties and cities cooperate with DWR by providing the information needed to comply with this Proclamation.

13. DWR and the Department of Food and Agriculture shall recommend, within 30 days from the date of this Proclamation, measures to reduce the economic impacts of the drought, including but not limited to, water transfers, through-Delta emergency transfers, water conservation measures, efficient irrigation practices, and improvements to CIMIS.

14. The Department of Boating and Waterways shall recommend, within 30 days from the date of this Proclamation and in cooperation with the Department of Parks and Recreation, measures to reduce the impacts of the drought conditions to water-based recreation, including but not limited to, the relocation or extension of boat ramps and assistance to marina owners.

15. The Labor and Workforce Development Agency shall recommend, within 30 days from the date of this Proclamation, measures to address the impact of the drought conditions on California's labor market, including but not limited to, identifying impacted areas, providing one-stop service, assisting employers and workers facing layoffs, and providing job training and financial assistance.

16. DWR and the Department of Food and Agriculture shall be the lead agencies in working with the Federal Drought Action Team to coordinate federal and state drought response activities.

17. The emergency exemptions in Public Resources Code sections 21080(b)(3), 21080(b)(4) and 21172, and in California Code of Regulations, title 14, section 15269(c), shall apply to all actions or efforts consistent with this Proclamation that are taken to mitigate or respond to this emergency. In addition, Water Code section 13247 is suspended to allow expedited responses to this emergency that are consistent with this Proclamation. The Secretary for the California Environmental Protection Agency and the Secretary for the California Natural Resources Agency shall determine which efforts fall within these exemptions and suspension, ensuring that these exemptions and suspension serve the purposes of this Proclamation while protecting the public and the environment. The Secretaries shall maintain on their web sites a list of the actions taken in reliance on these exemptions and suspension.

18. By March 30, 2009, DWR shall provide me with an updated report on the state's drought conditions and water availability. If the emergency conditions have not been sufficiently mitigated, I will consider issuing additional orders, which may include orders pertaining to the following:

- (a) institution of mandatory water rationing and mandatory reductions in water use;
- (b) reoperation of major reservoirs in the state to minimize impacts of the drought;
- (c) additional regulatory relief or permit streamlining as allowed under the Emergency Services Act; and

(d) other actions necessary to prevent, remedy or mitigate the effects of the extreme drought conditions.

I FURTHER REQUEST THAT:

19. All urban water users immediately increase their water conservation activities in an effort to reduce their individual water use by 20 percent.

20. All agricultural water suppliers and agricultural water users continue to implement, and seek additional opportunities to immediately implement, appropriate efficient water management practices in order to minimize economic impacts to agriculture and make the best use of available water supplies.

21. Federal and local agencies also implement water use reduction plans for facilities within their control, including immediate water conservation efforts.

I FURTHER DIRECT that as soon as hereafter possible, this proclamation be filed in the Office of the Secretary of State and that widespread publicity and notice be given of this proclamation.



IN WITNESS WHEREOF I have hereunto set my hand and caused the Great Seal of the State of California to be affixed this 27th day of February, 2009.

ARNOLD SCHWARZENEGGER
Governor of California

ATTEST:
DEBRA BOWEN
Secretary of State